GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

STARRED QUESTION NO:260
ANSWERED ON:15.03.2016
Crop Insurance
Dubey Shri Satish Chandra

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) whether it is a fact that less than 20 per cent farmers go in for crop insurance in India, while the vast majority is exposed to the vagaries of weather which often leads them to take desperate steps;

(b) if so, the steps taken by the Government to popularize crop insurance schemes and to encourage farmers to insure their crops; and

(c) whether the Government has introduced any new scheme especially for the benefit of small and marginal farmers and if so, the details thereof?

Answer

MINISTER OF AGRICULTURE AND FARMERS WELFARE
???? ??? ????? ?????? ?????? (SHRI RADHA MOHAN SINGH)

(a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO. 260 DUE FOR REPLY ON 15TH MARCH, 2016.

(a) to (c): Yes, Madam. Continued efforts are being made to make the schemes more beneficial and effective for farmers by reviewing them from time to time and incorporating of farmer friendly features. Concerned agencies of State Governments in coordination with the insurance companies create awareness among farmers through publicity of Crop Insurance Schemes. The salient activities under awareness campaign include publicity of benefits of the scheme through advertisements in leading National/local News Papers, telecast through audio-visual media, distribution of pamphlets, participation in agriculture fairs / melas / ghosti and organization of workshops / trainings and sending SMSes through Kisan Portal etc. A new portal of Crop insurance has also been launched through which farmers can find out about the crops notified for insurance as well as the applicable premium rates etc. in their respective areas. Besides, Government of India also does wide publicity of the Crop Insurance Schemes through print media, electronic media, conferences, workshops etc.

Based on the review of existing crop insurance scheme, Government of India has approved the Pradhan Mantri Fasal Bima Yojana (PMFBY) which would replace the existing schemes of National Agricultural Insurance Scheme (NAIS) & Modified National Agricultural Insurance Scheme (MNAIS) from ensuing Kharif 2016. Farmer's share in Premium (including small & marginal farmers) has been reduced to a maximum of 1.5%, 2% and 5% in respect of Rabi crops, Kharif crops and annual commercial/ horticultural crops respectively. Salient features of the scheme are Annexed.
Contdâ€¦2/-

Premium rates payable by farmers, selection of insurance company & administrative and operational structure of Weather Based Crop Insurance Scheme (WBCIS) have also been rationalized and brought at par with PMFBY.

In addition, a Unified Package Insurance Scheme (UPIS) has also been approved for implementation on pilot basis in 45 districts of the country from Kharif 2016 season to cover the other assets/activities like machinery, life, accident, house and student-safety for farmers alongwith their notified crops (under PMFBY/ Weather Based Crop Insurance Scheme - WBCIS).
The new scheme also envisages intensive publicity for awareness of the scheme alongwith training/sensitization programmes of the States/bank officials for increase in coverage under crop insurance.

Annexure
Salient Features of PMFBY

i) Provide comprehensive insurance coverage against crop loss on account of non-preventable natural risks, thus helping in stabilising the income of the farmers and encourage them for adoption of innovative practices.

ii) Increase the risk coverage of Crop cycle − pre-sowing to post-harvest losses.

iii) Area approach for settlement of claims for widespread damage. Notified Insurance unit has been reduced to Village/Village Panchayat for major crops

iv) Uniform maximum premium of only 2%, 1.5% and 5% to be paid by farmers for all Kharif crops, Rabi Crops and Commercial/ horticultural crops respectively.

v) The difference between premium and the rate of Insurance charges payable by farmers shall be provided as subsidy and shared equally by the Centre and State.

vi) Uniform seasonality discipline & Sum Insured for both loanee & non-loanee farmers

vii) Removal of the provision of capping on premium and reduction of sum insured to facilitate farmers to get claim against full sum insured without any reduction.

viii) Inundation has been incorporated as a localized calamity in addition to hailstorm and landslide for individual farm level assessment.

ix) Provision of individual farm level assessment for Post harvest losses against the cyclonic & unseasonal rains for the crops kept in the field for drying upto a period of 14 days, throughout the country.

x) Provision of claims upto 25% of sum insured for prevented sowing.

xi) "On-Account payment" upto 25% of sum insured for mid season adversity, if the crop damage is reported more than 50% in the insurance unit. Remaining claims based on Crop Cutting Experiments (CCEs) data.

xii) For more effective implementation, a cluster approach will be adopted under which a group of districts with variable risk profile will be allotted to an insurance company through bidding for a longer duration upto 3 years.

xiii) Use of Remote Sensing Technology, Smartphones & Drones for quick estimation of crop losses to ensure early settlement of claims.

xiv) Crop Insurance Portal has been launched. This will be used extensively for ensuring better administration, co-ordination, transparency and dissemination of information.

xv) Focused attention on increasing awareness about the schemes among all stakeholders and appropriate provisioning of resources for the same.

xvi) The claim amount will be credited electronically to the individual farmer's Bank Account

xvii) Adequate publicity in all the villages of the notified districts/ areas

xviii) Premium rates under Weather Based Crop Insurance Scheme (WBCIS) have also been reduced and brought at par with new scheme. Further, capping on Actuarial premium and reduction in sum insured has been removed in this scheme also.
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